

March 29, 2013

To: Executive Board

Subject: **2013 Legislative Summary**

Recommendation

Receive and file the March 2013 Legislative Summary. Adopt a support position for AB 1257.

Analysis

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends **a support position for AB 1257 (Bocanegra)**.

With the reliable and affordable supply of natural gas, there is a distinct need for a balanced and responsible natural gas energy policy for California. AB1257 will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. Every four years the Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source and present this study to the Legislature. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints. Foothill Transit has long recognized the benefits of natural gas and this legislation will increase the possibilities for environmental sustainability, economic stimulation, and clean tech innovation.

The California Air Resources Board (CARB) held a public workshop on the development of the Cap-and-Trade Auction Proceeds Investment Plan in Sacramento. At the workshop, CARB staff made opening comments about their goals for investment of the cap and trade revenues. Investment in transit was favorably mentioned several times. One of the comments specified that investment in zero-emission technology for transit should also be considered. During the public comment period, California Transit Association (CTA) staff made opening comments on behalf of the Transportation Coalition for Livable Communities, the coalition in which the CTA has been a leading member since its creation early last year. Jim Earp, the coalition's Chair (and Director of the California Alliance for Jobs, as well as a Commissioner on the California Transportation Commission) made additional opening comments as well as a number of

other coalition supporters representing numerous organizations who spoke in support of the Coalition's proposal to invest a significant portion of Cap and Trade Auction revenues into transit and other greenhouse gas (GHG)-reducing transportation projects.

CARB also held workshops in Fresno and in Los Angeles this month, to make sure to accommodate extensive public input from throughout the state. CARB is working in partnership with the state legislature and the governor's administration to craft an investment plan for the revenues by this spring. The CTA is staying active in participating in all ongoing Cap and Trade discussions and are optimistic for a successful outcome for transit and GHG-reducing transportation, both of which further the goals of California landmark legislation contained in AB 32 and SB 375.

In Washington, D.C., the U.S. Senate Appropriations Committee released its amendment to the recently passed House Continuing Resolution (CR) for Fiscal Year (FY) 2013 and the full Senate then proceeded to consideration of the bill and further amendments. The House bill, passed on March 6, included an across the board cut (rescission) of 0.1 percent on all federal programs including the Department of Transportation (DOT) and it restricted spending on MAP-21 authorized programs to FY 2012 funding levels. The restriction on MAP-21 authorized levels amounted to a cut of \$117.4 million to Federal Transit Administration (FTA) Formula and Bus Grant programs, while the rescission also added a cut of \$8.3 million, for a total cut of \$125.7 million to MAP-21 authorized FTA formula programs. Moreover, these cuts were on top of the across the board cuts that recently became effective under sequestration on March 1, when the Administration and Congress were unable to reach an agreement on a plan to trim the deficit and avoid the sequester. Programs affected by the March 1 sequester included those funded out of the General Fund, such as the MAP-21 General Fund transfers to the Highway Trust Fund, as well as New Starts, Federal Transit Administration (FTA) operations, FTA Research, and even the recently enacted emergency relief funding for Hurricane Sandy recovery.

The Senate bill, introduced on Monday, includes five complete FY 2013 Appropriations bills, and provides appropriations under the CR format for all others, including the bill for Transportation, Housing and Urban Development and Related Agencies (THUD). However, the Senate bill provides modified language for the THUD bill and fully funds MAP-21 FTA Formula and Bus programs at \$8.478 billion. Also, while the bill includes an across the board rescission for other federal programs, the cut is not applied to DOT, although General Fund programs are still impacted by the sequester. Within the funds available to the FTA, the bill provides \$4 million to fund the new transit safety program established under MAP-21. It also makes technical corrections to the appropriations language for transit research and the New Starts program in order to conform to program changes made by MAP-21. Finally, the Senate bill increases funding levels for

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the highway, highway safety and motor carrier safety programs to make those programs consistent with the levels authorized under MAP-21.

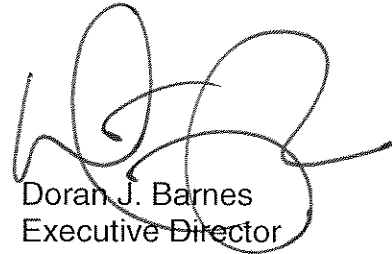
Financial Impact

The impact of the federal general fund sequester and transportation cuts to the Los Angeles County region and Foothill Transit in particular are still being determined, but initial review indicates they appear to be relatively minor at this point.

Sincerely,



David Reyno
Director of Government Relations



Doran J. Barnes
Executive Director

2013 Legislation Summary

Current as of 3/18/2013

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 8	Perea/Skinner	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Transportation	CTA - Support	Support Position Adopted 2/22/2013
AB 1257	Bocanegra	AB1257 will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. The Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints.	The bill's passage will create an Energy Commission that will increase government participation in the creation and maintenance of a natural gas policy for the state.	Assembly Committee on Natural Resources		Support
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Senate Committee on Environmental Quality	CTA - Support	Support Position Adopted 2/22/2013

2013 Legislation Summary

Current as of 3/18/2013

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Governance & Finance	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Governance & Finance	CTA - Support	Support Position Adopted 2/22/2013